

**Town Of Bedford
Finance Committee
June 16, 2016, 7:30PM
Selectmen's Meeting Room**

Members Present:

Stephen Steele, Ben Thomas, David Powell, Elizabeth McClung, Richard Bowen and Stephen Carluccio.

Absent: Karen Dunn, Thomas Busa, and Paul Mortenson.

Quorum: Yes

Others Present:

Finance Director: Victor Garofalo, Town Manager: Richard Reed, Selectmen: William Moonan, Treasurer of BCAT: Robert Dutton, Planning Board Member: Jeff Cohen, April Delano, Michael Rosen and Edward McGrath

Proceedings:

Meeting called to order at 7:30 by Stephen Steele, Committee Chairman.

Motion is deferred for the meeting minutes of March 24, 2016.

Motion: Movement by Ben Thomas to approve meeting minutes of May 28, 2016, as amended.

Motion approved

6:0:0

Agenda Item A: Refuse and Recycling Contract

Town Manager, Richard Reed reports

- The Town of Bedford held a five-year refuse and recycling contract with Republic Services. This contract is now coming to a close.
- It is possible to change contractors through a competitive procurement process; however, this is not required. Additionally, the refuse industry as a whole is consolidating. This means that many of the current contractors do not have the capacity to fully serve the Town of Bedford.
- Richard Reed explains that the Town of Bedford as a whole has been satisfied with the current contractor, Republic Services. New contract terms are being negotiated with them.
- Due to international economics, the market for recyclables has considerably dropped. This is an industry-wide issue. Refuse collectors have adapted to this shift by charging a per-ton processing fee for recyclables.

- During the timeframe that the town has been in the current contract, Republic Services has been forced to pick up the heightened expense of recyclables. They are no longer willing to do so and this change has been reflected in the terms of new contracts.
- The Selectmen considered five options in relation to the new refuse collection contract. Ultimately the selectmen recommended option one. This proposed contract would be for a time period of three years, offering more flexibility to the town.
- In anticipation of heightened costs caused by the re-negotiation of the refuse contract, a cushion fund was built into the DPW budget. Afterward, for the same purpose funding was added to a reserve fund. The amount required for the new contract currently exceeds all funding reserves by \$110,000. There are no funds in the revolving account to cover the unexpected cost. However, there are enough funds in the unused levy surplus (\$160,000).
- Following the signing of the new refuse contract, the usage of additional funds will need to be approved at a special town meeting. In the case that the funds are not approved a reserve fund transfer will be required to cover the cost.

Agenda Item B: Cable Television Revolving Account

Overview provided by Victor Garofalo

- A total of \$257,98.50 has been disbursed from the Cable Television Revolving Account. This amount is \$7,898.50 above the amount authorized (\$250,000) to spend under Article 5 of the 2015 ATM (FY2016). It is legal for this expense to be accounted for with the approval of the Selectmen as well as the Finance Committee.
- Chapter 44 Section 53E ½ states, “in any fiscal year the limit on the amount that may be spent from a revolving fund may be increased with the approval of the Selectmen and Finance Committee.”

Motion: Richard Bowen so moves that the Finance Committee increase the expenditure limit of the FY2016 Cable Television Revolving Account authorized under MGL Chapter 44 Section 53E ½ from \$250,000 up to \$258,000.

Motion passed

6:0:0

Agenda Item C: Tentative Reserve Fund Transfers

Overview provided by Victor Garofalo

- It was originally believed that the police department would require a reserve fund transfer. This is no longer the case; the police department was able to mitigate this expense through the use of additional funds provided by a DEA grant.

- The School Department is requesting a reserve fund transfer in the amount of \$83,819 for the purpose of funding homeless transportation. The school committee has approved this reserve fund transfer. FinCom will vote on this matter during the meeting of July 7th.
- The Fire Department has requested up to \$20,000 for vehicle maintenance. The Fire Department has faced some larger repair needs such as a recent transmission repair. It is possible that a portion of this expense could be mitigated through the use of unused fire and ambulance salaries. However, this will not be known until the year closes out.
- The final reserve fund transfer has been requested by the Planning Department for the approximated amount of \$8,100. This would be utilized to cover a vacation payout for the retiring Director, Glenn Garber.

Agenda Item D: FY16 Year-end Status & FY17 Tentative Adjustments
Overview provided by Victor Garofalo

- The year-end status for FY16 is favorable, approximately \$900,000 will be returned to reserve funds. Assessors have released approximately \$350,000 of overlay surplus; this is a component of free cash expenditure. Other excess expenditures are being returned from areas such as water, energy, debt and health insurance reimbursements. Turn back has also occurred from DPW and Town Clerk salaries
- As of May 31st revenue is 14% over previous estimates made by the Finance Department. Solid numbers will be provided in the fall
- The FY17 model currently has enough money to account for the excess expenses caused by refuse and schools. Anticipatory changes include an increase in new growth, as well as level-funded state aid. Both general insurance and workers' comp insurance are expected to increase slightly. However, this may be offset by a decrease in health insurance. Debt changes may be adjusted down as a result of completed projects.

Agenda Item E: Future Meetings

- The next FinCom meeting is scheduled for Thursday, July 7th.
- The following meeting is scheduled to occur on Thursday, August 4th.

*Adjournment at 8:35 governed by Stephen Steele, Committee Chairman.
 Minutes submitted by Michelle Racette, Recording Secretary.*